

# JF Technology Berhad

(Registration No. 200601027925 (747681-H))  
(Incorporated in Malaysia)



## **INTERIM FINANCIAL REPORT FOR SECOND QUARTER ENDED 31 DECEMBER 2022**

# JF Technology Berhad

(Registration No. 200601027925 (747681-H))  
(Incorporated in Malaysia)



## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For 2nd financial quarter ended 31 December 2022

|  | INDIVIDUAL QUARTER   |  | CUMULATIVE QUARTER                                      |   |
|--|--|--|---|---|
|  | Current year<br>2nd Quarter<br>1/10/2022<br>to<br>31/12/2022 | Preceding Year<br>Corresponding<br>Quarter | Current Year<br>To-date<br>1/7/2022<br>to<br>31/12/2022 | Preceding Year<br>Corresponding<br>Period |
|  | RM'000   | RM'000                                     | RM'000  | RM'000                                    |
| Revenue -  | 10,952   | 11,706                                     | 22,541  | 23,021                                    |
| Cost of sales                                      | (3,577)  | (3,139)                                    | (6,857)   | (5,586)                                   |
| Gross profit                                       | 7,375  | 8,567                                      | 15,684  | 17,435                                    |
| Other operating income                             | 102  | 71   | 807   | 1,174                                     |
| Operating expenses                                 | (5,128)  | (6,312)                                    | (10,126)  | (10,281)                                  |
| Profit from operations                             | 2,349  | 2,326                                      | 6,365   | 8,328                                     |
| Finance cost                                       | (49)   | (61)                                       | (99)  | (125)                                     |
| Interest Income                                    | 417  | 333  | 838   | 396                                       |
| <b>Profit before taxation</b>                      | 2,717  | 2,598                                      | 7,104   | 8,599                                     |
| Tax Expense  | (1)  | 2,430                                      | (2)   | 1,011                                     |
| <b>Profit for the financial period</b>             | 2,716  | 5,028                                      | 7,102   | 9,610                                     |
| <b>Other comprehensive income</b>                  |  |  |   |   |
| Profit for the financial period                    | 2,716  | 5,028                                      | 7,102   | 9,610                                     |
| Foreign currency translation differences           | (89)   | (74)                                       | (113)   | (130)                                     |
| Total comprehensive profit for the period          | 2,627  | 4,954                                      | 6,989   | 9,480                                     |
| <b>Profit attributable to:</b>                     |  |  |   |   |
| Owners of the company                              | 2,881  | 5,523                                      | 7,327   | 10,561                                    |
| Non-controlling interests                          | (165)  | (495)                                      | (225)   | (951)                                     |
| Profit for the financial period                    | 2,716  | 5,028                                      | 7,102   | 9,610                                     |
| <b>Total comprehensive income attributable to:</b> |  |  |   |   |
| Owners of the Company                              | 2,792  | 5,449                                      | 7,214   | 10,431                                    |
| Non-controlling interests                          | (165)  | (495)                                      | (225)   | (951)                                     |
| Total comprehensive profit for the period          | 2,627  | 4,954                                      | 6,989   | 9,480                                     |
| <b>Earnings Per Share (EPS)</b>                    |  |  |   |   |
| - Basic (Sen)                                      | 0.31   | 0.60                                       | 0.79  | 1.14                                      |
| - Diluted (Sen)                                    | 0.31   | 0.54                                       | 0.79  | 1.03                                      |

### Notes:

This Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial statements.

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## Unaudited Condensed Consolidated Statement of Financial Position As at 31 December 2022

|   | (Unaudited)<br>As at<br>31/12/2022<br>RM'000 | (Audited)<br>As at<br>30/6/2022<br>RM'000 |
|---|--|---|
| <b>ASSETS</b>                                       |  |   |
| <b>Non-current assets</b>                           |  |   |
| Property, plant and equipment                       | 35,207                                       | 32,351                                    |
| Rights to use assets                                | 5,928  | 6,347                                     |
| Deferred tax asset                                  | 24   | 25  |
|   | 41,159                                       | 38,723                                    |
| <b>INTANGIBLE ASSETS</b>                            | 5,302  | 5,485                                     |
| <b>GOODWILL</b>                                     | 95   | 95  |
| <b>Current assets</b>                               |  |   |
| Inventories   | 6,029  | 4,862                                     |
| Trade receivables                                   | 9,156  | 9,332                                     |
| Other receivables, deposits and prepayments         | 1,218  | 2,123                                     |
| Current tax assets                                  | 2,429  | 2,354                                     |
| Short Term investment                               | 568  | 508                                       |
| Fixed deposit with a licensed bank                  | 238  | 236                                       |
| Cash and cash equivalents                           | 80,166                                       | 84,078                                    |
|   | 99,804                                       | 103,493                                   |
| <b>TOTAL ASSETS</b>                                 | 146,360                                      | 147,796                                   |
| <b>EQUITY AND LIABILITIES</b>                       |  |   |
| <b>Equity attributable to owners of the company</b> |  |   |
| Share capital                                       | 94,066                                       | 94,066                                    |
| Capital Reserves                                    | 2,481  | 2,481                                     |
| Currency Translation Reserves                       | (12)   | 51  |
| Retained Earnings                                   | 35,101                                       | 32,409                                    |
| <b>Equity attributable to owners of the Company</b> | 131,636                                      | 129,007                                   |
| Non-controlling interest                            | 1,341  | 1,617                                     |
| <b>Total equity</b>                                 | 132,977                                      | 130,624                                   |
| <b>Non-current liabilities</b>                      |  |   |
| Term Loan   | 1,470  | 1,555                                     |
| Lease liabilities                                   | 2,160  | 2,584                                     |
| Deferred Income                                     | 929  | 1,030                                     |
| Deferred tax liabilities                            | 2,200  | 2,244                                     |
|   | 6,759  | 7,413                                     |
| <b>Current liabilities</b>                          |  |   |
| Trade payables                                      | 357  | 374                                       |
| Other payables and accruals                         | 5,013  | 7,922                                     |
| Term loan   | 195  | 181                                       |
| Lease liabilities                                   | 912  | 1,135                                     |
| Current tax liabilities                             | 147  | 147                                       |
| <b>Total current liabilities</b>                    | 6,624  | 9,759                                     |
| <b>Total liabilities</b>                            | 13,383                                       | 17,172                                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | 146,360                                      | 147,796                                   |
|   | -  | -   |
| <b>Net assets per share (RM)</b>                    | 0.1434                                       | 0.1409                                    |

### Notes:

This Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Statement for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For 2nd financial quarter ended 31 December 2022

|  | <-----Non -Distributable-----> |                           |  | Distributable               |  | Non-Controlling Interest<br>RM'000 | Total Equity<br>RM'000 |
|--|--------------------------------|---------------------------|--|-----------------------------|--|------------------------------------|------------------------|
|  | Share Capital<br>RM'000        | Capital Reserve<br>RM'000 | Currency Translation Reserve<br>RM'000 | Retained Earnings<br>RM'000 | Total Equity attributable to owners of the Company<br>RM'000 |                                    |                        |
| <b>6 months ended 31 December 2021 (unaudited)</b>                   |                                |                           |  |                             |  |                                    |                        |
| Balance as at 01 July 2021   | 90,560                         | 2,481                     | (24)                                   | 24,423                      | 117,440  | 3,075                              | 120,515                |
| Profit after taxation for the financial period                       |                                |                           |  | 10,561                      | 10,561   | (951)                              | 9,610                  |
| <b>Other comprehensive income</b>                                    |                                |                           |  |                             |  |                                    |                        |
| Foreign currency translation differences                             |                                |                           | (61)                                   |                             | (61)   | (69)                               | (130)                  |
| <b>Total Comprehensive income for the period</b>                     | -                              | -                         | (61)                                   | <b>10,561</b>               | <b>10,500</b>  | <b>(1,020)</b>                     | <b>9,480</b>           |
| <b>Contributions by and distributions to owners of the Company :</b> |                                |                           |  |                             |  |                                    |                        |
| Issuance of ordinary shares pursuant to conversion of warrants       | 3,505                          |                           |  |                             | 3,505  |                                    | 3,505                  |
| Dividend paid during the financial period                            |                                |                           |  | (4,620)                     | (4,620)  |                                    | (4,620)                |
| Total transactions with owners of the Company                        | <b>3,505</b>                   | -                         | -                                      | <b>(4,620)</b>              | <b>(1,115)</b>   | -                                  | <b>(1,115)</b>         |
|  |                                |                           |  |                             | -  |                                    |                        |
| <b>Balance as at 31 December 2021</b>                                | <b>94,065</b>                  | <b>2,481</b>              | <b>(85)</b>                            | <b>30,364</b>               | <b>126,825</b>   | <b>2,055</b>                       | <b>128,880</b>         |
| <b>6 months ended 31 December 2022 (unaudited)</b>                   |                                |                           |  |                             |  |                                    |                        |
| Balance as at 01 July 2022   | 94,066                         | 2,481                     | 51                                     | 32,409                      | 129,007  | 1,617                              | 130,624                |
| Profit after taxation for the financial period                       |                                |                           |  | 7,327                       | 7,327  | (225)                              | 7,102                  |
| <b>Other comprehensive income</b>                                    |                                |                           |  |                             |  |                                    |                        |
| Foreign currency translation differences                             |                                |                           | (63)                                   |                             | (63)   | (51)                               | (113)                  |
| <b>Total Comprehensive income for the period</b>                     | -                              | -                         | (63)                                   | <b>7,327</b>                | <b>7,264</b>   | <b>(276)</b>                       | <b>6,989</b>           |
| <b>Contributions by and distributions to owners of the Company :</b> |                                |                           |  |                             |  |                                    |                        |
| Dividend paid during the financial period                            |                                |                           |  | (4,635)                     | (4,635)  |                                    | (4,635)                |
| Total transactions with owners of the Company                        | -                              | -                         | -                                      | (4,635)                     | (4,635)  | -                                  | (4,635)                |
|  |                                |                           |  |                             | -  |                                    |                        |
| <b>Balance as at 31 December 2022</b>                                | <b>94,066</b>                  | <b>2,481</b>              | <b>(12)</b>                            | <b>35,101</b>               | <b>131,636</b>   | <b>1,341</b>                       | <b>132,977</b>         |

### Notes :

This Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial statements.

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## Unaudited Condensed Consolidated Statement of Cash Flows For 2nd financial quarter ended 31 December 2022

|   | (Unaudited)<br>As at<br>31/12/2022<br>RM'000 | (Audited)<br>As at<br>30/6/2022<br>RM'000 |
|---|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |  |   |
| Profit before tax   | 7,104  | 15,079                                    |
| Adjustments for :   |  |   |
| Depreciation of property, plant and equipment                       | 1,298  | 2,837                                     |
| Depreciation of right-of-use assets                                 | 420  | 735                                       |
| Dividend income   | (5)  | (6)                                       |
| Fair value gain from short-term funds                               | (60)   | (58)                                      |
| Interest expense  | 99   | 231                                       |
| Amortisation of intangible asset                                    | 139  | -   |
| Amortisation of deferred income                                     | (101)  | (202)                                     |
| Gain on disposal of property, plant and equipment                   | -  | (71)                                      |
| Property, plant and equipment written off                           | -  | 2   |
| Inventories written down  | -  | 120                                       |
| Interest income from short-term funds                               | (838)  | (1,137)                                   |
| Unrealised gain on foreign exchange                                 | -  | (44)                                      |
| Unrealised loss on foreign exchange                                 | 190  | 93  |
| Operating profit before working capital changes                     | 8,246  | 17,579                                    |
| Changes in working capital:   |  |   |
| Decrease/(Increase) in inventories                                  | (1,167)                                      | (1,211)                                   |
| Decrease/(Increase) in receivables                                  | 1,081  | (823)                                     |
| (Decrease) / Increase in payables                                   | (2,854)                                      | 6,083                                     |
| Cash generated from/(used in) operating activities                  | 5,306  | 21,628                                    |
| Income tax refund/(paid)  | (147)  | (2,256)                                   |
| Net cash generated from/ (used in) operating activities             | 5,159  | 19,372                                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |  |   |
| Interest received   | 838  | 1,133                                     |
| Investment in quoted securities                                     | -  | (450)                                     |
| Acquisition of business and assets of Ikeda Technology (M) Sdn Bhd  | -  | (3,900)                                   |
| Dividend received   | 5  | 6   |
| Withdrawn of a fixed deposit  | -  | 250                                       |
| Purchase of property, plant and equipment                           | (4,155)                                      | (13,053)                                  |
| Proceeds from disposal of property, plant and equipment             | -  | 71  |
| Net cash from/ (used in) investing activities                       | (3,312)                                      | (15,943)                                  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |  |   |
| Interest paid   | (99)   | (231)                                     |
| Repayment of lease liabilities                                      | (649)  | (1,458)                                   |
| Repayment of term loan  | (71)   | (160)                                     |
| Proceeds from issuance of shares pursuant to conversion of warrants | -  | 3,506                                     |
| Dividends paid  | (4,635)                                      | (9,255)                                   |
| Net cash (used in)/ from financing activities                       | (5,454)                                      | (7,598)                                   |
| Net (decrease)/ increase in cash and cash equivalents               | (3,607)                                      | (4,169)                                   |
| Cash and cash equivalents at beginning of period                    | 84,314                                       | 88,184                                    |
| Effects of exchange rate changes                                    | (303)  | 63  |
| Cash and cash equivalents at end of period                          | 80,404                                       | 84,078                                    |
| <b>Cash and cash equivalents consist of:</b>                        |  |   |
| Short Term Funds  | 71,788                                       | 73,611                                    |
| Cash and bank balances  | 8,378  | 10,231                                    |
| Fixed deposits pledged to licensed banks                            | 238  | 236                                       |
|   | 80,404                                       | 84,078                                    |

### Notes :

This Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Statement for the year ended 30 June 2022 and the explanatory notes attached to the interim financial statements.

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022.

### PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134") : INTERIM FINANCIAL REPORTING.

#### A1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134 : Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and Rule 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

#### A2 Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the year ended 30 June 2022. The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board which are effective for annual periods beginning on or after 1 January 2022 :

|  | Effective Date |
|--|----------------|
| MFRS 17 Insurance Contracts  | 1 January 2023 |
| Amendments to MFRS 3 : Reference to the Conceptual Framework   | 1 January 2022 |
| Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred       |
| Amendments to MFRS 17 Insurance Contracts  | 1 January 2023 |
| Amendments to MFRS 17 : Initial Application of MFRS 17 and MFRS 9 - Comparative Information                                | 1 January 2023 |
| Amendments to MFRS 101 : Classification of Liabilities as Current or Non-Current   | 1 January 2023 |
| Amendments to MFRS 101: Disclosure of Accounting Policies  | 1 January 2023 |
| Amendments to MFRS 108: Definition of Accounting Estimates   | 1 January 2023 |
| Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction                   | 1 January 2023 |
| Amendments to MFRS 116 : Property, Plant and Equipment - Proceeds before Intended Use                                      | 1 January 2022 |
| Amendments to MFRS 137 : Onerous Contracts - Cost of Fulfilling a Contract   | 1 January 2022 |
| Annual Improvements to MFRS Standards 2018 - 2020  | 1 January 2022 |

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

#### A3 Auditors' report on preceding annual financial statements

The preceding year annual audited financial statements were not subject to any qualification.

#### A4 Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical factors.

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022.

### A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter to date and current financial year-to-date.

### A6 Material changes in estimates

There were no changes in estimates of amounts reported that have a material effect in the current quarter under review and current financial year-to-date.

### A7 Debt and equity securities

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellations, shares held as treasury share and resale of treasury shares during the current quarter under review and current financial year-to-date.

### A8 Dividend Paid

Dividends paid during the financial period ended 31 December 2022 is as follows:

A final dividend of 0.50 sen per ordinary share amounted to RM4,635,290 in respect of financial year ended 30 June 2022 was paid by the Company on 30 September 2022.

### A9 Segmental information

Segment analysis has not been prepared as the Group's business is focused only in manufacturing and trading of electronic products, components and test probes, including production, packaging, marketing and distribution of its products principally in Malaysia, and this forms the focus of the Group's internal reporting system.

The chief operating decision maker reviews the business performance of the Group as a whole and management monitors the operating results of its business for the purpose of making decisions on resources allocation and performance assessment.

#### Geographical information

For the purpose of disclosing geographical information, revenue is based on the geographical location of the customers from which the sales transactions originated.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

#### Revenue by countries

|               | Current year<br>quarter<br>1/10/2022<br>to<br>31/12/2022<br>RM'000 | Current year<br>to date<br>1/7/2022<br>to<br>31/12/2022<br>RM'000 | Current year<br>to date<br>1/7/2022<br>to<br>31/12/2022<br>% |
|---------------|--|---|--|
| Malaysia      | 3,522  | 7,447   | 33%  |
| China         | 3,245  | 6,931   | 31%  |
| United States | 1,130  | 2,078   | 9%   |
| Philippines   | 905  | 1,970   | 9%   |
| Thailand      | 536  | 1,103   | 5%   |
| Taiwan        | 104  | 211   | 1%   |
| Singapore     | 895  | 1,803   | 8%   |
| Others        | 615  | 998   | 4%   |
| Total         | 10,952   | 22,541  | 100%   |

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022.

### A10 Valuation of property, plant and equipment

There are no valuation of the property, plant and equipment in the current quarter.

### A11 Material events subsequent to the end of the quarter

There are no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements.

### A12 Changes in the composition of the Group

There are no material changes in the composition of the Group for the current quarter under review.

### A13 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

### A14 Capital commitments

|                                   | RM'000 |
|-----------------------------------|--------|
| Property, plant and equipment     |        |
| Authorised and contracted for     | 25,964 |
| Authorised and not contracted for | nil    |

### A15 Significant related party transactions

The Group has no related party transactions which would have a significant impact on the financial position and business of the Group during the current financial quarter under review and current financial year-to-date.



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## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

### B1 Review of performance

|   | INDIVIDUAL PERIOD             |  | Changes<br>YoY | CUMULATIVE PERIOD            |   | Changes<br>YoY |
|---|-------------------------------|--|----------------|------------------------------|---|----------------|
|   | Current Year<br>2nd Quarter   | Preceding Year<br>Corresponding<br>Quarter |                | Current Year<br>To-date      | Preceding Year<br>Corresponding<br>Period |                |
|   | 1/10/2022<br>to<br>31/12/2022 | 1/10/2021<br>to<br>31/12/2021              |                | 1/7/2022<br>to<br>31/12/2022 | 1/7/2021<br>to<br>31/12/2021              |                |
|   | RM'000                        | RM'000                                     | %              | RM'000                       | RM'000                                    | %              |
| Revenue   | 10,952                        | 11,706                                     | -6%            | 22,541                       | 23,021                                    | -2%            |
| Operating Profit  | 2,349                         | 2,326                                      | 1%             | 6,365                        | 8,328                                     | -24%           |
| Profit before tax ("PBT")   | 2,717                         | 2,598                                      | 5%             | 7,104                        | 8,599                                     | -17%           |
| Profit after tax ("PAT")  | 2,716                         | 5,028                                      | -46%           | 7,102                        | 9,610                                     | -26%           |
| Profit attributable to ordinary equity holders of the parent ("net profit") | 2,881                         | 5,523                                      | -48%           | 7,327                        | 10,561                                    | -31%           |

#### 2QFY2023 YoY

For the current quarter ended 31 December 2022 ("2QFY2023"), the Group posted a revenue of RM10.95 million as compared to RM11.71 million in the previous year corresponding quarter. This was largely due to the slowdown in the semiconductor industry, particularly the consumer electronics segment. However, this was partially offset by the growing contribution from our test interface products business and manufacturing facility in Kunshan, China.

Meanwhile, the Group's PBT improved 5% YoY to RM2.71 million in 2QFY2023 from RM2.60 million in the previous year, driven by higher operational efficiency achieved for our test interface products division and China facility. Net profit, however, was lower at RM2.88 million versus RM5.52 million a year ago. This was chiefly attributed to the positive tax charge recognized earlier in 2QFY2022 arising from reversal of prior tax provision.

#### 1HFY2023 YoY

For the current financial year ended 31 December 2022, the Group recorded a revenue of RM22.54 million. This was slightly lower than the RM23.02 million posted in 1HFY2022, which stemmed from the abovementioned factor.

At the PBT level, the Group achieved a PBT of RM7.10 million for 1HFY2023, which was lower than the RM8.60 million registered a year ago due to changes in product mix. Essentially, there was higher contributions from test interface products division and manufacturing in China and these businesses are still gradually gaining traction. As a result, the Group turned in a net profit of RM7.33 million for the current period under review as compared to RM10.56 million in 1HFY2022.

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## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

### B2 Financial review for current quarter compared with immediate Preceding Quarter

|   | Current Year<br>2nd Quarter   | Immediate<br>Preceding<br>Quarter | Changes<br>QoQ |
|---|-------------------------------|-----------------------------------|----------------|
|   | 1/10/2022<br>to<br>31/12/2022 | 1/10/2021<br>to<br>31/12/2021     |                |
|   | RM'000                        | RM'000                            | %              |
| Revenue   | 10,952                        | 11,590                            | -6%            |
| Operating Profit  | 2,349                         | 4,018                             | -42%           |
| Profit before tax ("PBT")   | 2,717                         | 4,387                             | -38%           |
| Profit after tax ("PAT")  | 2,716                         | 4,386                             | -38%           |
| Profit attributable to ordinary equity holders of the parent ("net profit") | 2,881                         | 4,446                             | -35%           |

#### 2QFY2023 QoQ

The Group's revenue slipped 6.0% quarter-on-quarter ("QoQ") to RM10.95 million from RM11.59 million in 1QFY2023. The Group's PBT and net profit registered a similar trend on a QoQ basis, which again, were a result of the aforementioned factors.

### B3 Prospects for financial year ended 30 June 2023.

Looking ahead, global uncertainties are anticipated to remain elevated arising from the ongoing macroeconomic issues. The semiconductor sector is not spared from these issues and is expected to experience a slowdown in 2023 due to geopolitical uncertainties, high inflation and global economic recession according to the Malaysia Semiconductor Industry Association ("MSIA"). Global semiconductor industry sales are projected to fall 4.1% in 2023 based on the World Semiconductor Trade Statistics Organization ("WSTS")'s latest industry forecast.

On a brighter note, the demand from the automotive segment is expected to remain on upward trend. We serve a diverse range of industries including the automotive segment and we are pleased to share that orders from our automotive customers are growing. This enables us to weather through the different cycles of the semiconductor sector and the Group is working hard to capitalize on the opportunities from this segment.

At the same time, the continued maturation of our two growth drivers – test engineering solutions business and China facility – also allow us to continue expanding our business even during such testing times.

On the corporate front, we are delighted to share that JF Technology Bhd has successfully transferred to the Main Market of Bursa Securities on 19 December 2022. This is yet another significant milestone for the Group as we are now able to attract a wider pool of investors including institutional funds, and this gives us greater access to the broader capital markets as well. More importantly, this would boost the confidence of all our stakeholders and better reflect our Group's current scale of operations. Also, to recap, JF Technology Bhd is Shariah-compliant.

Lastly, the construction of our new facility in Kota Damansara is progressing well. Upon completion, it will double our existing capacity. The new facility will also serve as our Malaysia test contacting Center of Excellence.

All in all, the Group's long-term outlook remains promising premised upon our highly sustainable and resilient business model and growth drivers. Simultaneously, the Group is also mindful of the challenges ahead and will continue to undertake a prudent approach. The Board expects the FY2023 financial performance of the Group to be satisfactory, barring any unforeseen circumstances.

# JF TECHNOLOGY BERHAD

(Registration No. 200601027925 (747681-H))

(Incorporated in Malaysia)



## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

### B4 Profit forecast, profit guarantee and internal targets

The Group does not provide any profit forecast, profit guarantee or internal targets in any publicly available document or announcement.

### B5 Notes to the statement of comprehensive income

PBT is arrived at after charging/ (crediting) :

|   | Current Year<br>2nd Quarter<br>1/10/2022<br>to<br>31/12/2022<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>1/10/2021<br>to<br>31/12/2021<br>RM'000 | Current Year<br>To-date<br>1/7/2022<br>to<br>31/12/2022<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>1/7/2021<br>to<br>31/12/2021<br>RM'000 |
|---|--|---|---|---|
| Other Income - Amortisation of government grant             | (51)   | (49)  | (101)   | (101)   |
| Depreciation of property, plant and equipment               | 1,012  | 912   | 1,718   | 1,611   |
| Amortisation of intangible asset                            | 70   | -   | 139   | -   |
| Interest expense  | 49   | 61  | 99  | 125   |
| Interest income from short term funds                       | (417)  | (333)   | (838)   | (396)   |
| Fair value gain from short term funds                       | (32)   | (275)   | (60)  | (275)   |
| Net (gain)/loss on realised and unrealised foreign exchange | 425  | (4)   | (66)  | (125)   |

### B6 Taxation

|                           | Current Year<br>2nd Quarter<br>1/10/2022<br>to<br>31/12/2022<br>RM'000 | Current Year<br>To-date<br>1/7/2022<br>to<br>31/12/2022<br>RM'000 |
|---------------------------|--|---|
| Current tax               | 21   | 42  |
| Deferred tax              | (22)   | (44)  |
| In respect of prior years | -  | -   |
| Total                     | (1)  | (2)   |

Current tax is provided for profitable subsidiary as there is no claiming of tax group relief over the loss-making companies within the Group.

There was a reversal of tax provision from the approval of pioneer status of a subsidiary during 2nd quarter of FY2022.

# JF TECHNOLOGY BERHAD

(Registration No. 200601027925 (747681-H))

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## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

B7 The Group's borrowings which are all secured as at 31 December 2022 is as follows :

|                      | Secured<br>RM'000 | Unsecured<br>RM'000 | Total<br>RM'000 |
|----------------------|-------------------|---------------------|-----------------|
| Short term borrowing | 1,107             | -                   | 1,107           |
| Long term borrowing  | 3,630             | -                   | 3,630           |
| Total                | 4,737             | -                   | 4,737           |

The Group does not have any foreign currency borrowings.

## B8 Dividend Payable

In view of the Group's financial performance, the Board declared and approved single-tier interim dividend as follows :

|  |             |
|--|-------------|
| Interim dividend for financial period ended                  | 31-Dec-22   |
| Dividend per share   | 0.5 sen     |
| Total dividend payable                                       | RM4,635,290 |
| Ex-date of entitlement                                       | 28-Feb-23   |
| Entitlement to dividends based on record of Depositors as at | 2-Mar-23    |
| Date Payable (paid as of reporting date)                     | 17-Mar-23   |

The financial statements for the current financial period do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the month it was approved by the Board of Directors.

## B9 Material litigation since the date of the last annual statement of financial which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report.

The Group is not engaged in any material litigation, either as a plaintiff or defendant, claims or arbitration which have a material effect on the financial position of the Group.

## B10 Earnings per share ("EPS")

### a) Basic EPS

|  | Current year<br>2nd Quarter<br>1/10/2022<br>to<br>31/12/2022 | Preceding Year<br>Corresponding<br>Quarter<br>1/10/2021<br>to<br>31/12/2021 | Current Year<br>To-date<br>1/7/2022<br>to<br>31/12/2022 | Preceding Year<br>Corresponding<br>Period<br>1/7/2021<br>to<br>31/12/2021 |
|--|--|---|---|---|
| Profit attributable to owners of the Company (RM'000)                              | 2,881  | 5,523   | 7,327   | 10,561  |
| Weighted average number of ordinary shares for basic earnings per share ('000)     | 927,058  | 925,350   | 927,058   | 924,676   |
| Basic Earnings Per Share based on weighted average number of ordinary shares (sen) | 0.31   | 0.60  | 0.79  | 1.14  |

# JF TECHNOLOGY BERHAD

(Registration No. 200601027925 (747681-H))

(Incorporated in Malaysia)



## B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

### b) Diluted EPS

|  | Current year<br>2nd Quarter<br><br>1/10/2022<br>to<br>31/12/2022 | Preceding Year<br>Corresponding<br>Quarter<br><br>1/10/2021<br>to<br>31/12/2021 | Current Year<br>To-date<br><br>1/7/2022<br>to<br>31/12/2022 | Preceding Year<br>Corresponding<br>Period<br><br>1/7/2021<br>to<br>31/12/2021 |
|--|--|---|---|---|
| Profit attributable to owners of the Company (RM'000)                            | 2,881  | 5,523   | 7,327   | 10,561  |
| Weighted average number of ordinary shares for basic earnings per share ('000)   | 927,058  | 925,350   | 927,058   | 924,676   |
| Effective of dilution from conversion of warrants ('000)                         | -  | 98,234  | -   | 98,234  |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 927,058  | 1,023,584   | 927,058   | 1,022,910   |
| Diluted Earnings Per Share (sen)   | 0.31   | 0.54  | 0.79  | 1.03  |

Notes :

1. Basic earnings per share is computed by dividing profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period and financial year under review.
2. Diluted earnings per share is computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period, adjusted for the effects of dilutive potential ordinary shares.

### B11 Status of Corporate Proposals Announced.

There are no corporate proposals announced and not completed as at the date of this report.

### B12 Utilisation of Proceeds from Private Placement Issue

As at the date of this report, the status of the utilisation of the proceeds is as follows :

|   | Details of utilisation   | Proposed<br>Utilisation<br>(RM'000) | Actual<br>Utilisation<br>(RM'000) | Unutilised<br>proceeds<br>(RM'000) | Intended<br>Timeframe<br>for utilisation |
|---|--|-------------------------------------|-----------------------------------|------------------------------------|--|
| 1 | Factory capacity expansion                                       | 23,000                              | 8,562                             | 14,438                             | Within 36 months                         |
| 2 | R&D laboratory expansion   | 4,000                               | 4,000                             | 0                                  | Within 24 months                         |
| 3 | Setting up of new test interface and services business unit      | 12,000                              | 12,000                            | 0                                  | Within 24 months                         |
| 4 | Purchase of input materials and manufacturing consumables        | 5,000                               | 5,000                             | 0                                  | Within 60 months                         |
| 5 | Future working capital/investment                                | 25,632                              | 6,777                             | 18,855                             | Within 60 months                         |
| 6 | Estimated expenses in relation to the Proposed Private Placement | 350                                 | 350                               | 0                                  | Within 36 months                         |
|   |  | <b>69,982</b>                       | <b>36,689</b>                     | <b>33,293</b>                      |  |

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## **B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS**

### **B13 Authorisation for issue**

The interim financial report has been authorised for issue by the Board of Directors ("Board") in accordance with a resolution of the Board on 14 February 2023

On Behalf of the Board

**Dato' Foong Wei Kuong**  
Managing Director

14 February 2023